

# City of Alexandria, Virginia

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## MEMORANDUM

**DATE:** DECEMBER 6, 2017

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

**FROM:** MARK B. JINKS, CITY MANAGER /s/

**DOCKET TITLE:**

**TITLE**

Consideration of the Monthly Financial Report for the Period Ending October 31, 2017.

**BODY**

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**ISSUE:** Receipt of the Monthly Financial Report for the Period Ending October 31, 2017.

**RECOMMENDATION:** That City Council receive the Monthly Financial Report (Attachments 1 and 2).

**BACKGROUND:** The following discussion is a summary of the Monthly Financial Report for this period. Schedules comparing revenues and expenditures to date to the same period in FY 2016 are attached.

At this time in FY 2017, the City's revenue and expenditures are not noticeably different than the same time period last year. As of October 31, 2017, General Fund revenues totaled \$125.1 million, a decrease of \$3.1 million or 2.4% less than the revenues collected at the same time in FY 2016. Through the first four months, approximately 17.2 percent of budgeted revenues have been collected. Revenues may not track consistently with calendar since many revenue sources have dues dates that do not occur evenly through the year. Large revenue sources, such as real estate and personal property tax revenues are remitted twice per year and once per year, respectively. Personal Property taxes were due on October 5<sup>th</sup> and collections through October exceed last year's collections by \$1 million or 2.5 percent. Real Property taxes were due on November 15<sup>th</sup>. Collections in October are sporadic and often large transactions from mortgage companies. Any variance in October for Real Property tax revenue is due to timing. Other local taxes are showing positive growth compared to FY 2017. Through October 2017, Other Local Tax revenues equal \$23.5 million compared to \$21.3 million in October 2016. Recordation tax revenue exceeds last year by \$0.8 million due to the August sale of the JBG Beauregard Corridor residential/retail portfolio to Morgan Properties for \$509 million. Both Transient Lodging and Restaurant Meals tax revenues reflect higher sales in FY 2018 than from the same period in FY 2017.

As of October 31, 2017, General Fund expenditures totaled \$204.8 million, an increase of \$14.8 million over the same time period for FY 2017. Similar to the situation with revenues, no significant expenditure has occurred in the first four months of Fiscal Year 2018 that is unbudgeted or unexpected. Agencies that are trending above the percent completed of the fiscal year (33 percent) are those organizations that receive quarterly payments from the City (e.g., Economic Development Activities, Health/Other Health, and Transit Subsidies). These agencies have received two of their quarterly payments at this point in the fiscal year. Debt service is paid in June, July, December and January. The amounts are determined by the structure of the debt and the payments are made as scheduled. The amount paid each year and when it is paid varies each year based on debt issuance date and debt structure. As a result, it does not track closely to the percent of the fiscal year. The Departments of Human Resources and Information Technology Services are also both trending slightly ahead of the fiscal year, due to services that are billed annually (various maintenance agreements, Microsoft Licenses, Pryor Online Learning Access for employees).

**ATTACHMENTS:**

Attachment 1 - Comparative Revenue Schedule for October 31, 2017

Attachment 2 - Comparative Expenditure Schedule for October 31, 2017

Attachment 3 - First quarter economic indicators related to real estate and new construction

**STAFF:**

Laura Triggs, Deputy City Manager

Kendel Taylor, Director, Finance Department

Morgan Routt, Director, OMB

**CITY OF ALEXANDRIA, VIRGINIA**  
**COMPARATIVE STATEMENT OF REVENUES**  
**GENERAL FUND**  
**FOR THE PERIODS ENDING OCTOBER 31, 2017 AND OCTOBER 31, 2016**

	<b>B</b>	<b>C</b>	<b>D=C/B</b>	<b>F</b>
	<b>FY2018</b>	<b>FY2018</b>		<b>FY2017</b>
	<b>APPROVED</b>	<b>REVENUES</b>	<b>%</b>	<b>REVENUES</b>
	<b>BUDGET</b>	<b>THRU 10/31/2017</b>	<b>OF BUDGET</b>	<b>THRU 10/31/2016</b>
<b>General Property Taxes</b>				
Real Property Taxes.....	\$ 436,008,918	\$ 27,259,163	6.3%	\$ 35,318,894
Personal Property Taxes.....	49,339,000	42,842,043	86.8%	41,801,575
Penalties and Interest.....	2,000,000	704,691	35.2%	559,791
Total General Property Taxes	<u>\$ 487,347,918</u>	<u>\$ 70,805,897</u>	<u>14.5%</u>	<u>\$ 77,680,260</u>
<b>Other Local Taxes</b>				
Local Sales and Use Taxes.....	\$ 28,044,982	\$ 4,263,989	15.2%	\$ 4,380,980
Consumer Utility Taxes.....	12,700,000	2,255,331	17.8%	2,143,710
Communication Sales and Use Taxes.....	10,153,000	1,651,093	16.3%	1,702,427
Business License Taxes.....	33,460,000	1,160,995	3.5%	931,132
Transient Lodging Taxes.....	12,500,000	3,596,047	28.8%	2,930,482
Restaurant Meals Tax.....	19,000,000	4,777,184	25.1%	4,196,889
Tobacco Taxes.....	2,885,000	786,571	27.3%	811,321
Motor Vehicle License Tax.....	3,606,000	2,782,463	77.2%	2,703,333
Real Estate Recordation.....	4,800,000	1,957,037	40.8%	1,110,447
Admissions Tax.....	786,000	114,980	14.6%	146,510
Other Local Taxes.....	4,545,502	144,630	3.2%	198,061
Total Other Local Taxes	<u>\$ 132,480,484</u>	<u>\$ 23,490,319</u>	<u>17.7%</u>	<u>\$ 21,255,292</u>
<b>Intergovernmental Revenues</b>				
Revenue from the Fed. Government.....	\$ 9,971,382	\$ 2,399,647	24.1%	\$ 2,419,729
Personal Property Tax Relief from the Commonwealth.....	23,578,531	11,789,265	50.0%	11,789,265
Revenue from the Commonwealth.....	22,897,658	5,742,418	25.1%	5,547,040
Total Intergovernmental Revenues	<u>\$ 56,447,571</u>	<u>\$ 19,931,331</u>	<u>35.3%</u>	<u>\$ 19,756,034</u>
<b>Other Governmental Revenues And Transfers In</b>				
Fines and Forfeitures.....	\$ 6,610,517	\$ 1,673,095	25.3%	\$ 1,579,588
Licenses and Permits.....	2,485,350	925,995	37.3%	1,011,760
Charges for City Services.....	21,740,922	5,029,862	23.1%	4,568,144
Revenue from Use of Money & Prop.....	5,023,110	2,325,154	46.3%	1,862,986
Other Revenue.....	1,812,942	901,308	49.7%	490,541
Transfer from Other Funds.....	10,583,814	-	0.0%	-
Total Other Governmental Revenues	<u>\$ 48,256,655</u>	<u>\$ 10,855,414</u>	<u>22.5%</u>	<u>\$ 9,513,019</u>
<b>TOTAL REVENUE</b>	<u>\$ 724,532,628</u>	<u>\$ 125,082,961</u>	<u>17.3%</u>	<u>\$ 128,204,605</u>
<b>Appropriated Fund Balance</b>				
General Fund.....	\$ 3,605,400	\$ -	\$ -	\$ -
Appropriated refunding bond proceeds	-	-	-	-
Supplemental Appropriations....	\$ 6,700,258	-	\$ -	\$ -
<b>TOTAL</b>	<u>\$ 734,838,287</u>	<u>\$ 125,082,961</u>	<u>17.0%</u>	<u>\$ 128,204,605</u>

**COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION  
GENERAL FUND  
FOR THE PERIODS ENDING OCTOBER 31, 2017 AND OCTOBER 31, 2016**

FUNCTION	B	C	D=C/B	F
	FY2018 AMENDED BUDGET	FY2018 EXPENDITURES THRU 10/31/2017	% OF BUDGET EXPENDED	FY2017 EXPENDITURES THRU 10/31/2016
Legislative & Executive.....	\$ 5,455,058	\$ 1,607,159	29.5%	\$ 1,594,439
Judicial Administration.....	\$ 42,939,294	\$ 13,225,634	30.8%	\$ 13,778,041
<b>Staff Agencies</b>				
Information Technology Services.....	\$ 11,671,069	\$ 4,291,916	36.8%	\$ 3,691,159
Management & Budget.....	1,276,371	305,215	23.9%	354,915
Finance.....	13,842,261	3,416,283	24.7%	3,248,324
Performance and Accountability.....	697,627	171,982	24.7%	135,072
Internal Audit.....	421,894	91,858	21.8%	88,991
Human Resources.....	3,768,484	1,331,237	35.3%	967,338
Planning & Zoning.....	5,999,987	1,688,576	28.1%	1,656,103
Economic Development Activities.....	5,494,154	2,686,313	48.9%	2,656,287
City Attorney.....	2,941,270	899,584	30.6%	979,956
Registrar.....	1,202,318	324,783	27.0%	431,834
General Services.....	15,220,042	3,855,747	25.3%	3,835,903
Total Staff Agencies	\$ 62,535,477	\$ 19,063,494	30.5%	\$ 18,045,882
<b>Operating Agencies</b>				
Transportation & Environmental Services.....	\$ 30,275,905	\$ 9,379,623	31.0%	\$ 7,986,964
Project Implementation.....	1,868,900	410,887	22.0%	\$ 471,017
Fire.....	52,746,576	15,337,518	29.1%	14,856,994
Police.....	62,961,321	19,682,123	31.3%	19,313,996
Emergency Communications.....	7,794,857	2,410,854	30.9%	2,348,965
Code.....	34,345	1,376	4.0%	34,230
Transit Subsidies.....	15,135,927	7,396,917	48.9%	3,729,643
Housing.....	1,820,863	527,188	29.0%	492,394
Community and Human Services.....	13,648,783	4,501,939	33.0%	4,808,429
Health.....	8,670,836	3,815,253	44.0%	3,837,104
Historic Resources.....	3,180,740	995,871	31.3%	919,116
Recreation.....	22,111,222	7,180,942	32.5%	7,458,471
Total Operating Agencies	\$ 220,250,275	\$ 71,640,491	32.5%	\$ 66,257,323
<b>Education</b>				
Schools.....	\$ 214,061,472	\$ 47,976,155	22.4%	\$ 48,336,694
Other Educational Activities.....	12,277	6,139	50.0%	6,066
Total Education	\$ 214,073,749	\$ 47,982,294	22.4%	\$ 48,342,760
<b>Capital, Debt Service and Miscellaneous</b>				
Debt Service - City.....	\$ 40,973,127	\$ 16,499,633	40.3%	\$ 23,729,242
Debt Service - Schools	28,530,550	11,489,349	-	-
Expenses on Refunding Bonds.....	-	271,428	0.0%	-
Non-Departmental.....	9,301,731	4,914,453	52.8%	4,519,759
General Cash Capital.....	37,866,696	-	0.0%	-
Contingent Reserves.....	775,931	-	0.0%	-
Total Capital, Debt Service and Miscellaneous	\$ 117,448,035	\$ 33,174,863	28.2%	\$ 28,249,001
<b>TOTAL EXPENDITURES</b>	\$ 662,701,888	\$ 186,693,935	28.2%	\$ 176,267,446
Cash Match (Transportation/DCHS/ and Transfers to the Special Revenue /Capital Projects Funds).....	\$ 53,229,967	\$ -	0.0%	\$ 121,663
Transfer to Library.....	6,860,551	6,047	0.1%	2,312,837
Transfer to DASH.....	12,045,879	11,692,233	0.0%	11,295,384
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	\$ 734,838,287	\$ 198,392,214	27.0%	\$ 189,997,330
<b>Total Expenditures by Category</b>				
Salaries and Benefits.....	\$ 223,673,920	\$ 66,187,073	29.6%	\$ 64,860,409
Non Personnel (includes all school funds) .....	511,164,367	138,599,501	27.1%	125,136,921
<b>Total Expenditures</b>	\$ 734,838,287	\$ 204,786,574	27.9%	\$ 189,997,330

## FY 2018 – First Quarter Indicators (through September 2017)

## Residential Real Estate Sales Data

- In the first nine months of the calendar year, 2,079 residential units have sold compared to 2,003 for the same period last year.
- The average sales price was up 2.4 percent, from \$534,360 in 2016 to \$547,274 in the first three quarters of calendar year 2017.
- The average days on the market was down 6.4 percent, from 47 days in September 2016 to 44 days in September 2017.
- The number of foreclosed properties through September 2017 was 55, compared to 64 for the same period last year.

## Value of New Construction

- The chart below shows the value of new construction permits that have been issued for the past 15 years and the amount through October 2016. FY 2017 ended with an decrease of \$12.3 million compared to FY 2016, which is an decrease of 2.8 percent. Through October 2017 the value of new construction permits totals \$95.2 million, compared to \$146.2 million through October 2016, which is a decline of \$51 million or 35 percent.

VALUE OF NEW CONSTRUCTION				
Fiscal Year	Residential	Commercial	Miscellaneous <sup>1</sup>	Total Value
2003	\$45,082,740	\$181,592,915	\$127,571,011	\$354,246,666
2004	\$109,390,144	\$81,966,555	\$174,433,190	\$365,789,889
2005	\$177,398,911	\$130,163,097	\$164,543,291	\$480,126,718
2006	\$272,537,290	\$53,870,310	\$167,012,891	\$493,510,491
2007	\$181,504,324	\$115,541,751	\$181,125,140	\$478,171,215
2008	\$104,539,385	\$134,016,584	\$154,530,291	\$393,086,260
2009	\$89,606,084	\$158,415,943	\$139,267,945	\$387,289,972
2010	\$48,940,298	\$32,243,020	\$75,242,518	\$156,425,836
2011	\$84,339,573	\$37,242,270	\$75,109,545	\$196,691,388
2012	\$181,174,427	\$43,499,387	\$126,623,909	\$351,297,723
2013	\$249,196,021	\$193,439,810	\$136,386,504	\$579,022,335
2014	\$189,324,592	\$194,198,977	\$163,073,451	\$546,597,020
2015	\$100,356,588	\$193,674,206	\$112,325,006	\$406,355,800
2016	\$50,646,107	\$175,491,082	\$218,365,081	\$444,502,270
2017	\$57,095,143	\$163,831,709	\$211,301,855	\$432,228,707
2018 <sup>2</sup>	\$11,417,955 <sup>2</sup>	\$50,763,895 <sup>2</sup>	\$33,030,407 <sup>2</sup>	\$95,212,257 <sup>2</sup>
<sup>1</sup> The miscellaneous category includes alterations and repairs, electrical, plumbing, and mechanical permits, and other construction activity.				
<sup>2</sup> Reflects year-to-date data (four months of permits)				

Source: City of Alexandria Department of Code Administration (FY 2018 reflects permits through October 2017)